

complaint

Mr F complains about The Prudential Assurance Company Limited. He's unhappy with the service he received when they looked at the suitability of transferring his company scheme pension.

background

Mr F's company scheme wrote to him on 15 May 2017 providing a cash equivalent transfer value (CETV) of about £600,000. This included an amount of about £590,000 that was guaranteed until 15 August 2017.

Mr F spoke with a Prudential adviser in late May 2017 about the transfer of his company scheme pension. At that time he didn't meet their criteria to allow them to assess the suitability of a transfer. But a few weeks later their criteria changed and so Mr F met their requirements.

The Prudential adviser contacted Mr F in July 2017 to see if he was still interested in transferring. An appointment was subsequently arranged for 23 August 2017. But by this time the CETV had already expired. So Mr F completed a letter of authority which was sent to the company scheme for them to provide Prudential with a new CETV. This wasn't received by the company scheme so it had to be resent.

The company provided a new CETV of about £555,000 on 18 October 2017. This included an amount of about £542,000 that was guaranteed until 10 January 2018.

Mr F emailed Prudential on 2 November as he considered mis-selling had taken place. He said he'd never been told that a minimum value was required as part of their criteria for them to consider a pension transfer. And that had he been told his pension didn't meet this requirement back in July 2017 then he would've gone elsewhere. So he considered Prudential responsible for the drop in the CETV. He was also unhappy with the level of communication he'd received.

Prudential responded saying at the time of his original enquiry they weren't able to offer advice for cases at his pension level and so couldn't take it further. But their recruitment of more pension transfer specialists allowed them to increase their capacity to handle the demand for pension transfers and so they reduced their CETV criteria. They attached the new CETV from the company scheme but said this wasn't something they could control. They added that they'd continue to proceed to analyse Mr F's benefits and whether a transfer would be suitable but this could take a number of weeks. And it may be that their decision is for it to remain with the company scheme. So Mr F may wish to seek independent financial advice if he wanted to transfer.

Prudential wrote to Mr F on 28 November and 18 December 2017. These letters said they couldn't find any evidence of mis-selling but they accepted their communication had fallen short and so they offered £500 for the trouble and upset this caused. They confirmed the transfer was currently being assessed by one of their specialists. And they went on to explain some of the events leading up to the changing of their criteria and why their adviser approached him again. They also clarified that they operate on an advice process rather than a request to transfer. They reiterated the drop in the CETV was out of their control.

Prudential emailed Mr F on 21 December 2017 saying that their pension transfer specialists had concluded a transfer wouldn't be in his best interests at that time and he should remain in his company scheme. They said a recommendation to retain benefits and their reasons would be sent in due course.

Mr F chased the recommendation in January 2018. And on 29 March 2018 he received a letter from Prudential explaining that in their opinion, it wasn't in his best interests to transfer. One of the reasons for this was the critical yield being unachievable.

On 11 April 2018 Prudential wrote to Mr F apologising for not sending out the details of their assessment sooner. A further £200 was offered in light of this. They again reaffirmed their position about the CETV being outside of their control as the company scheme is responsible for this.

The complaint was brought to our service. Our adjudicator didn't think Prudential was responsible for the drop in the CETV. He explained Mr F didn't meet Prudential's criteria for a pension transfer in May 2017. But he was satisfied their criteria changed shortly after this. He said an appointment wasn't arranged until after the original CETV guarantee expired and that he also didn't think there was any prospect of its advice process being completed in time. He did however acknowledge that Prudential didn't deal with the matter as well as they could have. But he thought the £700 compensation was fair in reflecting the trouble and upset caused.

Mr F disagreed and so the matter has been passed to me to review.

My findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

The original CETV was guaranteed until 15 August 2017. So I've considered the events leading up to this and whether Prudential are responsible for the drop in value. Having done so, I don't think they are and I'll explain why.

The Prudential adviser says she told Mr F in late May that they couldn't help with the transfer. Mr F disputes this and says she told him she wasn't sure it could happen but that nothing was confirmed. I therefore can't be sure exactly what happened. But it's clear there was a discussion about the possibility Prudential might not be able to help. So I think if Mr F was worried he may not be able to transfer his pension with Prudential he could've explored his options elsewhere.

In any event, the Prudential adviser contacted Mr F again in July 2017 after their criteria changed. I understand Mr F has questioned whether the criteria changed in such a short amount of time. But having seen internal documents from Prudential I'm satisfied that it did. So I don't think it was unreasonable for the Prudential adviser to inform Mr F of this and ask whether he'd like them to proceed with assessing the suitability of the transfer.

Mr F unfortunately doesn't have records of the conversations he had with the adviser. But the adviser has records showing she tried to arrange a meeting to discuss the pension transfer in July and August 2017. I understand Mr F says he had difficulty contacting the adviser and although I'm aware that she was on annual leave for a week during this time, overall I'm satisfied she took appropriate steps to meet with him. It follows that I don't think

the Prudential adviser was at fault for the appointment of 23 August 2017 taking place after the CETV guarantee had already expired.

I think it's also worth noting that a transfer analysis is a complex matter and it can take some time to complete. So even if it had started at some point in July 2017 it may not have necessarily been completed by the expiry of the CETV. A new CETV therefore could've been required anyway. And the transfer value is dependent on the company scheme's view of markets; amongst other things, so it could've gone up and down. So as Prudential has explained, this wasn't something they could control. I therefore don't think Prudential is responsible for the drop in the CETV.

Prudential told Mr F on 21 December 2017 that their specialists had concluded a transfer wouldn't be in his best interests. But the recommendation letter they said would follow wasn't provided until 29 March 2018. This was a significant delay in my view and I would've expected it to have been provided sooner.

I appreciate Mr F is likely unhappy with Prudential's assessment of his pension transfer as they don't consider it is in his best interests, along with the amount it took to complete. But while he didn't receive the recommendation letter for several months after being notified of their decision on 21 December, I think Prudential's email of 2 November explained that other firms may be able to assist him with a transfer. So I don't think he necessarily had to wait for the recommendation letter before exploring advice elsewhere.

I've considered whether the £700 compensation is fair. I realise Mr F is dissatisfied with the communication he received from Prudential and that he says they've given conflicting information about their criteria for assessing pension transfers. While I agree Prudential could've done more to keep Mr F updated along with also explaining more clearly how they work, I don't think this affected the drop in the CETV. So taking everything in to consideration, I think £700 fairly reflects the trouble and upset this matter caused. So I'm not going to increase it further.

my final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 26 November 2018

Daniel O'Dell
ombudsman